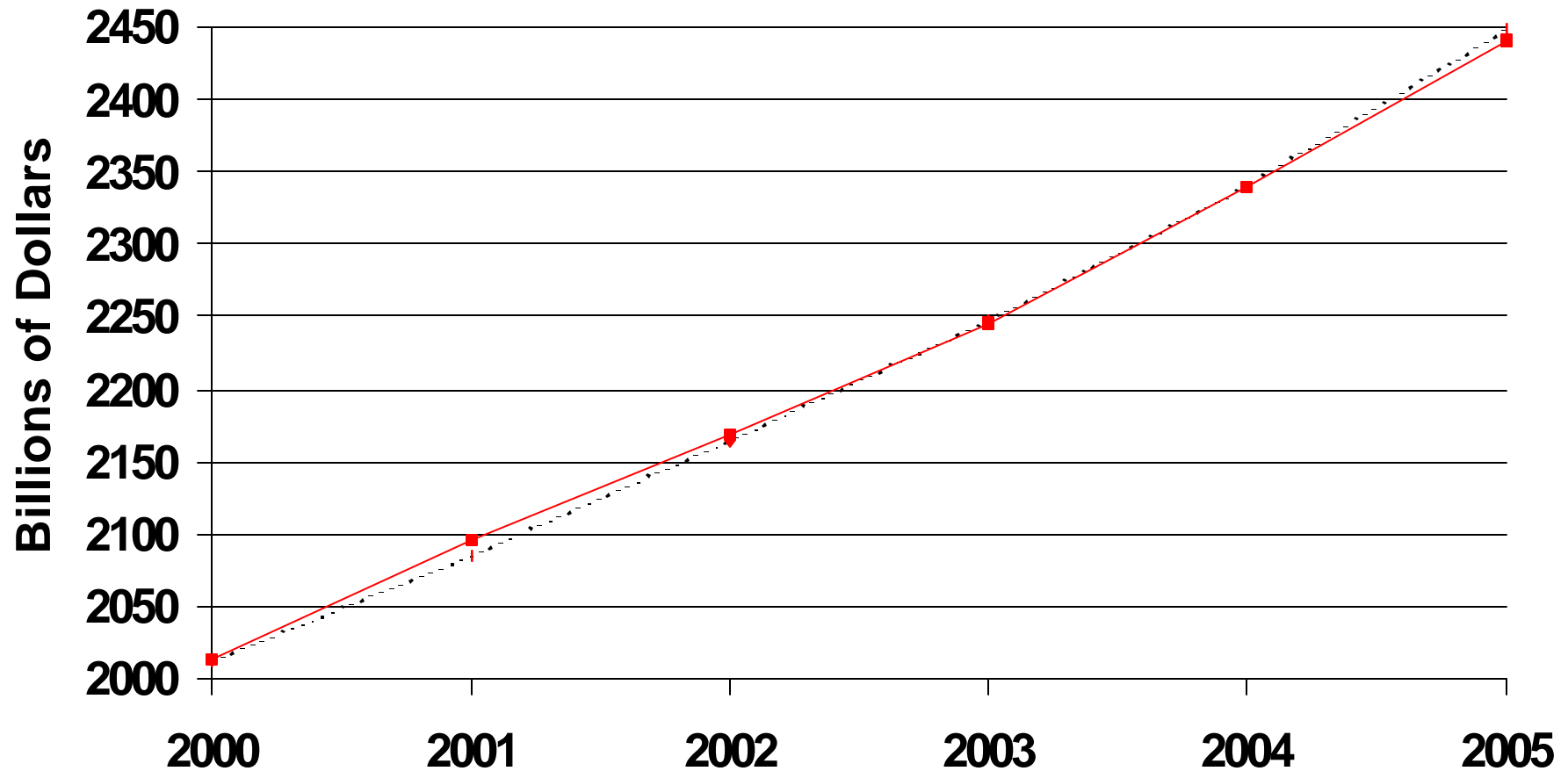


# Federal Taxes

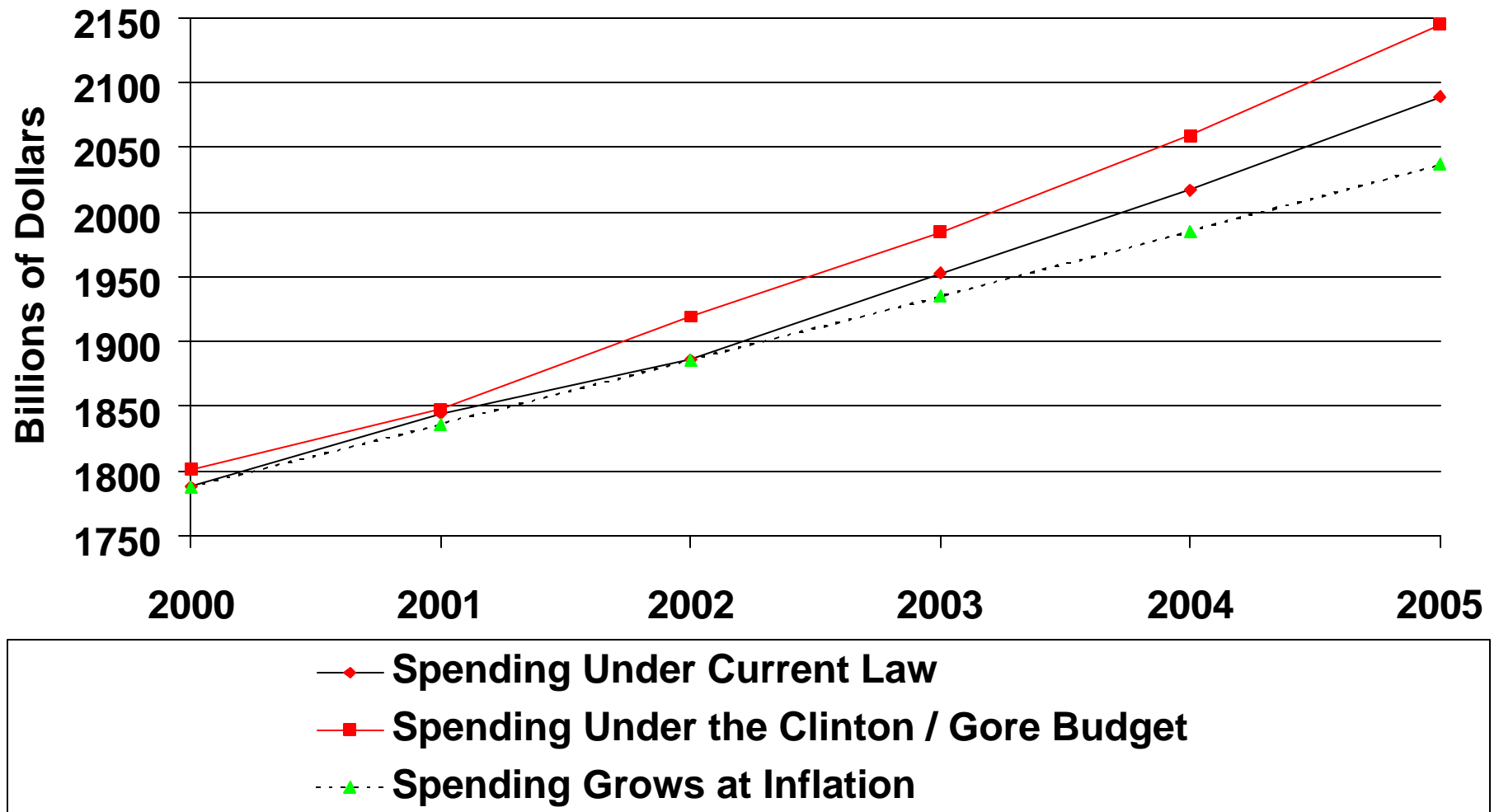
## Current Law vs Clinton / Gore Proposal



..... Revenue Under Current Law —■— Revenue Under the Clinton / Gore Budget

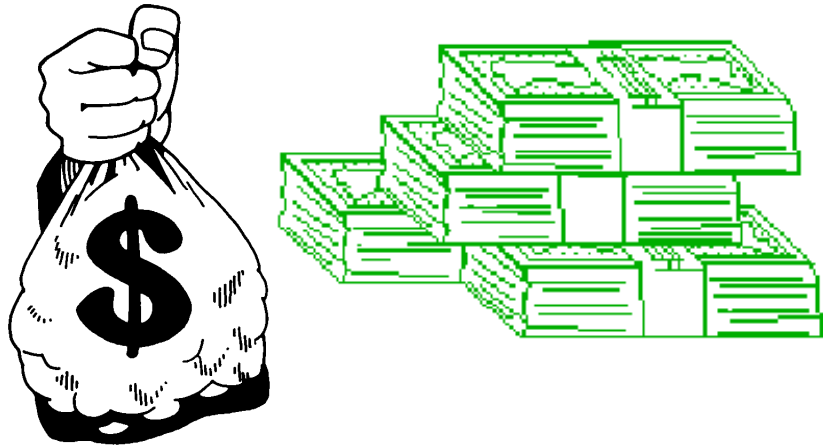
# Federal Spending

## Current Law vs. Clinton / Gore Proposal



# Surplus Announcement

On June 26, President Clinton announced that over the next five years the surplus would be \$475 billion more than what the President had predicted just five months ago.



The same day, the Clinton / Gore Administration released a budget update proposing to increase spending by \$114 billion above what they proposed in February over the same five years. **Clinton / Gore proposed spending \$1 out of every \$4 of the new surplus.**

# Fate of a Surplus

## *A Recent Example*

On November 19, 1999, Congress completed appropriating funds to be spent in Fiscal Year 2000, spending all of the non-Social Security surplus.

On January 26, the Congressional Budget Office announced a NEW \$23 billion surplus for Fiscal Year 2000. (Revised up to \$26 billion)

On May 25, Congress approved a bill spending \$5.5 billion of the surplus for payments to farmers to be made in Fiscal Year 2000.

On June 30, Congress approved a bill a Fiscal Year 2000 supplemental spending bill which spent \$13.8 billion of the surplus, but also dedicated \$4 billion of the surplus to debt reduction.

*It took Congress just 5 months to spend \$20 billion of the \$26 billion surplus. That is \$128 million per day.*

# Accounting for the Surplus

\$ 26.5 Billion Surplus

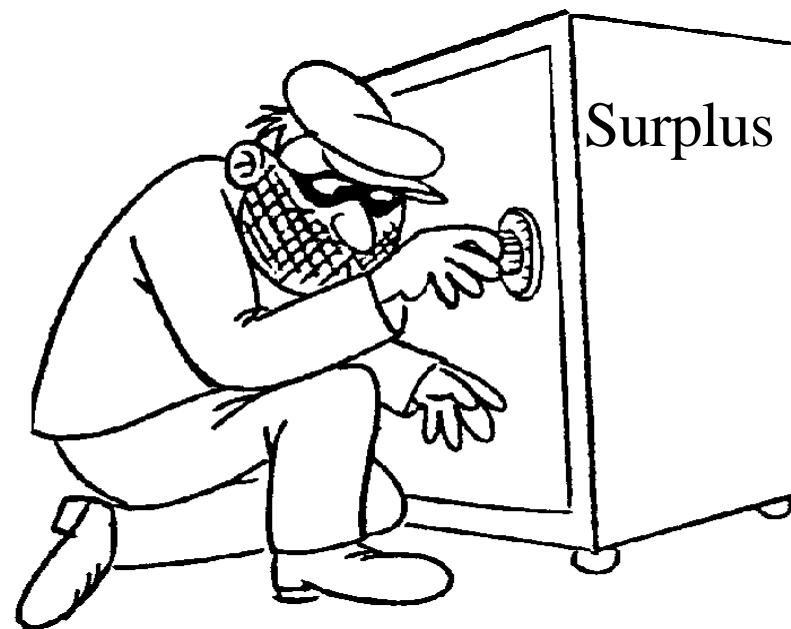
- \$ 5.5 Billion (agriculture payments)

- \$13.8 Billion (supplemental spending)

- \$ 0.2 Billion (increased interest, other misc.)

**\$ 7.0 Billion Surplus Remaining for Debt Reduction\***

\*\$4 billion has already been dedicated to debt reduction, the other \$3 billion can still be spent.



# Clinton / Gore Use of the New Surplus

## Use of the \$475 Billion Surplus Over the Next 5 Years

TAX RELIEF.....\$0

MORE SPENDING.....\$114 Billion

RESERVE FUND FOR MORE SPENDING.....\$123 Billion

TAX OVERPAYMENT  
FROM THE AMERICAN PEOPLE

2001 -2005

Pay to the

Order of: **BIGGER GOVERNMENT** | \$237,000,000,000

Two-hundred and thirty-seven Billion----- Dollars

  
Official Signature

# Talking Points

Average Growth in Revenue Over the Next Five Years.....4.0%

Average Growth in Outlays Under Current Law Over the Next Five Years.....3.16%

Average Growth in Outlays Under The Clinton / Gore Budget Over the Next Five Years.....3.55%

Average Anticipated Inflation Rate Over the Next Five Years.....approx 2.6%